

The complaint

Mrs B complains about John Lewis Financial Services Limited's response to her request for a refund of the money that she paid for some furniture that wasn't of satisfactory quality.

What happened

Mrs B and her husband bought some furniture with a total cost of £4,203 in 2019. Mrs B paid a deposit of £1,050 using a credit card from a bank in April 2019 and she paid £3,153 using her John Lewis Financial Services credit card in August 2019 when the furniture was delivered. Mrs B and her husband had some issues with the quality of the furniture so they complained to the retailer. The furniture was inspected by a third party in September 2019 and, although the inspector didn't agree with all of the issues about which they'd complained, the inspector did identify some manufacturing faults with the furniture and recommended that it should be repaired.

Mrs B made claims to both John Lewis Financial Services and the bank. The bank credited £1,050 to Mrs B's account and John Lewis Financial Services made two chargeback claims but they were defended by the supplier so it considered her claim under section 75 of the Consumer Credit Act 1974. It also credited £30 to her account in October 2019 as a goodwill gesture.

It then upheld her section 75 claim in February 2021 and agreed to refund £3,153 to her account but on condition that the furniture was either donated or destroyed. That wasn't acceptable to Mrs B so it extended its settlement offer until the end of March to give Mrs B more time to donate or destroy the furniture. Mrs B wasn't satisfied with its response so complained to this service.

Our investigator didn't recommend that her complaint should be upheld. She didn't consider that John Lewis Financial Services did anything wrong by not processing the refund prior to receiving the evidence that the furniture had been donated or destroyed and she said that it had acted in the way that this service would expect when looking at claims under section 75.

Mrs B has asked for her complaint to be considered by an ombudsman. She says, in summary and amongst other things, that the February 2021 offer provided insufficient time to arrange an alternative purchase which led to further communication with John Lewis Financial Services and it said that the offer would be held pending and once the requested information was available the case would be reviewed but there then no mention of the case being re-assessed. She also says that to dispose of the furniture prior to the refund being received would mean that she and her husband would have nothing to sit on, buying replacements could take some considerable time and would entail a considerable expense on top of the one already made which seems rather unfair.

What I've decided – and why

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

Having done so, I agree with the outcome recommended by our investigator for these reasons:

- in certain circumstances, section 75 of the Consumer Credit Act 1974 gives a consumer an equal right to claim against the supplier of goods or services or the provider of credit if there's been a breach of contract or misrepresentation by the supplier;
- to be able to uphold Mrs B's complaint about John Lewis Financial Services, I must be satisfied that there's been a breach of contract or misrepresentation by the supplier and that John Lewis Financial Services' response to her claim under section 75 wasn't fair or reasonable – but I'm not determining the outcome of Mrs B's claim under section 75 as only a court would be able to do that;
- the furniture was delivered to Mrs B and her husband in August 2019 and they had some issues with the quality of it – the furniture was inspected by a third party in September 2019 and, although the inspector didn't agree with all of the issues about which they'd complained, the inspector did identify some manufacturing faults with the furniture and recommended that it should be repaired;
- Mrs B made claims to both John Lewis Financial Services and a bank and the bank credited the deposit of £1,050 to Mrs B's account;
- John Lewis Financial Services agreed to refund the remaining £3,153 to Mrs B's account in February 2021 on condition that the furniture was either donated or destroyed – it said: *"As John Lewis Financial Services has no direct knowledge of the facts or issues you have raised in your dispute with the ... retailer, it is unable to determine that a breach of contract and/or misrepresentation has occurred on the evidence you have presented to date. However, notwithstanding this John Lewis Financial Services is prepared to make an ex gratia offer of £3,153 ... in full and final settlement of your claim and without admission of any liability... This offer is conditional upon you destroying these goods/donating the items to a local charity and attaching proof (ie photographs/receipts) to this form with your signed acceptance"*;
- I consider that John Lewis Financial Services' offer to refund £3,153 to Mrs B's account on condition that the furniture was either donated or destroyed was fair and reasonable in these circumstances and I'm not persuaded that it was unfair or unreasonable for it to require her to provide evidence of the destruction or donation before the refund was made;
- as it had offered that refund to Mrs B, I don't consider that it was reasonable to expect that it would then review or re-assess her claim;
- I sympathise with Mrs B for the issues that she's had with the furniture and the issues that she's described with ordering replacement furniture before the refund was made but I'm not persuaded that there was any requirement under section 75 for John Lewis Financial Services to refund the payment before Mrs B provided evidence that the furniture was destroyed or donated; and
- John Lewis Financial Services credited £30 to Mrs B's account in October 2019 as a goodwill gesture and has agreed to refund £3,153 to her account on the condition set out above – and I consider that its response to her claim under section 75 was fair and reasonable.

My final decision

My decision is that I don't uphold Mrs B's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs B to accept or reject my decision before 7 July 2022.

Jarrold Hastings
Ombudsman